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## FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 3.18.2009

Washington Post, Edward M. Liddy: "Our Mission at AIG: Repairs, and Repayment ... The government rescue of American International Group (AIG) and other financial firms has produced a palpable wave of anger on the part of Americans and a rising public demand for accountability from corporate and government leaders. The anger is understandable, and I share it."

Wall Street Journal: "Hedge Funds May Get AIG Cash ... Some of the billions of dollars that the U.S. government paid to bail out American International Group Inc. stand to benefit hedge funds that bet on a falling housing market, according to people familiar with the matter and documents reviewed by The Wall Street Journal."

Wall Street Journal: "Treasury Will Make Grab to Recoup Bonus Funds ... The Obama administration said Tuesday it would seek to recoup from American International Group Inc. the \$165 million in bonuses paid to employees of the bailed-out insurance titan as it tried to contain a national furor over the payments."

Forbes, Steve Forbes: "Discharge Incapable Commanders ... President Obama should take a cue from his hero, Abraham Lincoln. During the Civil War Lincoln never hesitated to fire generals he thought weren't up to the task. Obama should do the same thing with his economic commanders."

Financial Times: "Geithner faces critical test over bank plan ... Tim Geithner, America's beleaguered Treasury secretary, faces a critical test of his credibility when he unveils a much-awaited plan to take toxic assets off bank balance sheets - in an announcement expected in the coming days."

Financial Times, Henry Paulson: "Reform the architecture of regulation ... In the midst of the market turmoil, the pressing priority for US and global policymakers is to repair the financial system and restore the economy. Just as important, however, will be addressing the serious flaws exposed by this crisis."

New York Times: "New Jersey Sues Over Its Lehman Losses ... The State of New Jersey sued former executives and directors of Lehman Brothers on Tuesday, contending that fraud and misrepresentation had caused the state's public pension fund to lose \$118 million."

New York Times, Thomas Friedman: "Obama's Real Test ... When you hear a sitting U.S. senator call for bankers to commit suicide, you know that the anger level in the country is reaching a "Bonfire of the Vanities," get-out-the-pitchforks danger level. It is dangerous for so many reasons, but most of all because this real anger about A.I.G. could overwhelm the still really difficult but critically important things we must do in the next few weeks to defuse this financial crisis."

New York Times, Op-Ed: "Paying Workers More to Fix Their Own Mess ... Ah, retention pay. It has been one of the great rationales for showering money on chief executives and bankers regardless of how well they are doing their jobs. It's just that the specific rationale keeps changing."

National Review, Kudlow: "The AIG Outrage ... This whole AIG fiasco - where the entire political class is suddenly screaming over bonuses paid to derivative traders in AIG's financial-products division - is just a complete farce. What it really shows is how the government has completely bungled the AIG takeover. Blame the Bush administration and the Obama administration. It also shows, once again, why the government shouldn't run anything, because it cannot run anything."

The Hill: "AIG staff: We deserve this money ... AIG's new management team last year proposed that its employees give up their "retention" bonuses, or at least reduce them. The response from the 370 or so employees set to rake in \$450 million in bonuses through 2010? Take a hike."

Politico: "Why AIG outrage rings hollow ... Here's something neither Obama nor Grassley answered in their bellicose remarks Monday: Why did it take so long for the president and senior lawmakers to get so worked up? More troubling, why did it take so long for them to discover AIG planned to give huge bonuses in the first place?"

RollCall: "Members Rush to Strip Bonuses ... Both sides of the Capitol erupted Tuesday over American International Group's decision to award \$165 million in executive bonuses, with lawmakers in both parties calling for the giant insurer that benefited from a federal bailout to return the money voluntarily or be forced to do so."